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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070022
#3499
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March 23, 2010

H. Benson Lewis, Resident Agent
Savage Services Corporation
6340 South 3000 East, Suite 600
Salt Lake City, Utah 84121

Subject: 2009 Annual Report Review, Savage Coal Terminal, C/007/0022, Task ID #3499
Outgoing File

Dear Mr. Lewis:

The Division staff has completed the 2009 Annual Report Review. Enclosed is a copy of the review for Savage Coal Terminal, C/007/0022 completed on March 22, 2010.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron Haddock
Permit Supervisor

sqs
Enclosure
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This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2010. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

GENERAL INFORMATION

Permittee Name	Savage Services Corporation
Mine Name	Savage Coal Terminal
Operator Name	
(If other than permittee)	
Permit Expiration Date	August 6, 2014
Permit Number	C/007/0022
Authorized Representative Title	John Walters, General Manager
Phone Number	(801) 803-2140
Fax Number	(801) 424-7271
E-mail Address	JOHNW@savageservices.com
Mailing Address	2025 East 5000 South, Price, Utah 84501
Designated Representative	Kelly Flint, Senior Vice President
Resident Agent	H. Benson Lewis
Resident Agent Mailing Address	6340 S. 3000 E., Suite 600, SLC, Utah 84121
Number of Binders Submitted	2

Operator, please update any incorrect information.

IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-01444	Coal Loadout	N/A
MSHA Impoundment(s)	None		
NPDES/UPDES Permit(s)	UTG-040005	Unnamed ditch to the Price River	April 30, 2013
PSD Permit(s) (Air)	DAQE-AN1793003-06	Approval order	N/A

Other

Operator, please update any incorrect information.

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Other					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Operator Comments:

Appendix A

Inspector:

Has the operator complied with this section? Yes ☒ No ☐

Inspector Comments:

Refuse pile inspections / P.E. certifications for all four quarters of 2009 are included. The third quarter inspections for the sites nine impounding structures **are also the annual certifications**. No hazards or compliance issues have been noted during 2009 for either the refuse facility or the impoundments. The four fine coal settling basins are cleaned and re-certified by Mr. Dan Guy, P.E. on an "as-needed" basis. Loading and shipment of refuse material from the waste rock disposal site at Savage continues to Sunnyside Co-generation Associates.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100
Soils R645-301-200
Biology R645-301-300

Title: WILDLIFE AWARENESS PROGRAM**Objective:** To protect and enhance wildlife populations at or near the facilities.**Frequency:** As needed.**Status:** Ongoing.**Reports:** Annual.**Citation:** Volume 1, Section 333, Page 17, Mitigation and Management Plans.**Operator:** Has this commitment been acted on this year?Yes ☒ No ☐ Not required this year. ☐ If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:**

The Permittee provided employee awareness training to prevent harassment and / or hunting of wildlife within the permit area. This training was done during on shift safety training sessions.

Title: WILDLIFE MONITORING PROGRAM**Objective:** To evaluate the ongoing success of mitigation measures and ensure that TE and Sensitive. Species and habitats are not disturbed**Frequency:** As needed.**Status:** Ongoing.**Reports:** Annual.**Citation:** Volume 1, Section 3.4.5.3, page 3-50**Operator:** Has this commitment been acted on this year?Yes ☐ No ☒ Not required this year. ☐ If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:**

According to Section 322.210 in the MRP, there are no habitats of unusually high value for fish or wildlife at the Savage Coal Terminal. Raptor protection is also discussed in this section.

Title: NOXIOUS WEED CONTROL**Objective:** To control invasive species in and adjacent to the disturbed area.**Frequency:** Annually.**Status:** Annually.**Reports:** Annual.**Citation:** Volume 1, Section 3.4.5.4 or .5, page 3-62a.**Operator:** Has this commitment been acted on this year?Yes ☒ No ☐ Not required this year. ☐ If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:**

The Permittee sprayed tamarisk trees which had developed adjacent to some of the sediment ponds with two applications of herbicide. These applications were noted and documented in inspections made during the summer of 2009.

Landuse, Cultural Resources, Air Quality R645-301- 400

Engineering R645-301-500

Geology R645-301-600

Hydrology R645-301-700

Title: ANALYSIS OF BASELINE PARAMETERS EVERY FIVE YEARS.**Objective:** Periodic analysis for baseline parameters for long term impacts to surface and ground water.**Frequency:** Once every five years.**Status:** Ongoing.**Reports:** Report as part of quarterly water monitoring.**Citation:** Recommended, but not required.**Operator:** Has this commitment been acted on this year?Yes ☒ No ☐ Not required this year. ☒ If yes, comment;**Operator Comments:****Taken in 4th Quarter.****Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:**

4th Quarter 2009 surface and ground water monitoring data has been inserted into the DOGM data base pipe line. The Permittee voluntarily monitored for the same baseline water monitoring parameters as listed in the C/007/012 NEICO Wellington MRP. The results were compared to historical data and no abnormalities with the data were determined. The Division suggests that the Savage MRP be modified to include the NEICO parameter list in order to clearly define what parameters should be included every five years for baseline.

Title: WASTE STREAM FROM PROCESSING PLANT.

Objective: Provide documentation of chemical characteristics of process waste returned to site through analysis of parameters described in App. 3-6 page 1.

Frequency: Sample every 5,000 tons returned to site.

Status: Ongoing.

Reports: Laboratory analysis sheets (not specified whether provided in annual report).

Citation: MRP Appendix 3-6.

Operator: Has this commitment been acted on this year?

Yes ☐ No ☒ Not required this year. ☐ If yes, comment;

Operator Comments:

Inspector:

Has the operator complied with this commitment? Yes ☒ No ☐

Inspector Comments:

The coal processing waste being generated from the Savage plant comes from the washing of high-ash product from the Dugout Canyon Mine, the Skyline Mine or the SUFCO Mine. All waste rock material generated is hauled to the Dugout Canyon waste rock facility for permanent disposal. Grab samples of material are collected at the Dugout site, and the chemical analyses of these samples are submitted with the Dugout Canyon Annual Report. To date, and as far as is known, coals from other mines have not been processed through the ARCH operated Savage Coal Terminal wash plant.

Title: IDENTIFICATION OF ACID/TOXIC PROPERTIES OF WASTE STREAM FROM SAVAGE PREPARATION PLANT STORED ON SITE LONGER THAN 30 DAYS.

Objective: Provide documentation of chemical characteristics of process waste generated on site through analysis of parameters as described in Tables 4 and 8 of the DRAFT 2005 Division Guidelines.

Frequency: Sample every 5,000 tons generated.

Status: Ongoing.

Reports: Laboratory analysis sheets provided quarterly and in Annual Report.

Citation: MRP Sec. 3.2.3.3.

Operator: Has this commitment been acted on this year?

Yes ☐ No ☒ Not required this year. ☐ If yes, comment;

Operator Comments:

Inspector:

Has the operator complied with this commitment? Yes ☐ No ☐

Inspector Comments:

The Permittee is not placing coal processing waste onto the Savage waste rock disposal area. As noted above, all processing waste currently being generated is hauled to the DOGM approved Dugout Canyon permanent waste rock disposal facility, operated by Canyon Fuel Company. Although this commitment is still pertinent, it is not currently applicable.

Bonding & Insurance R645-301-800

Other Commitments

*Reminder: If equipment has been abandoned during 2009, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

Operator Comments:

N / A

Inspector:Has the operator complied with this section? Yes ☐ No ☐**Inspector Comments:**

There is no other technical data required for inclusion in the annual report.

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update

Required
Yes No

Included
Included

or

DOGM File location
Vol, Chapter, Page

Department of Commerce, Annual Report Officers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> On File
Other			
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> The Permittee updated / revised the Resident Agent information on June 15, 2009 as Task ID # 3310. Mr. H. Benson Lewis is the Resident Agent for C/007/022.

	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inspector:

Has the operator complied with this section? Yes ☒ No ☐

All ownership and control information is current.

Copies of mine maps, current and up-to-date through at least December 31, 2009, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

Map Number(s)	Map Title/ Description
1	Map 1: Introduction to the Project
2	Map 2: Overview of the Study Area
3	Map 3: Detailed Analysis of the Data
4	Map 4: Conclusions and Recommendations
5	Map 5: Appendix A - Additional Data
6	Map 6: Appendix B - Methodology
7	Map 7: Appendix C - References
8	Map 8: Appendix D - Glossary
9	Map 9: Appendix E - Index
10	Map 10: Appendix F - Acknowledgments

[illegible]

Operator Comments:

Inspector:
Has the operator complied with this section? Yes ☒ No ☐
Inspector Comments:

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Yes ☐

No ☐

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Operator Comments:

Inspector:

Has the operator complied with this section? Yes ☐ No ☐

Inspector Comments:

The MRP does not require the submittal of any other information. This section is not applicable.

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS

APPENDIX B

Reporting of Technical Data

Including monitoring data, reports, maps, and other information
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

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APPENDIX C

Legal Financial, Compliance and Related Information

Annual Report of Officers
As submitted to the Utah Department of Commerce

Other change in ownership and control information
As required under R645-301-110

CONTENTS

APPENDIX D

Mine Maps

As required under R645-302-525-270

CONTENTS

APPENDIX E

Other Information

In accordance with the requirements of R645-301 and R645-302

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